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Federal Communications Commission
Office of the Secretary

To: Federal Communications Commission
Honorable Michael Powell, Chairman
Honorable Kathleen Abernathy
Honorable Jonathon Adelstein
Honorable Michael Copps
Honorable Kevin Martin

Date: July 15, 2004

Re: WC Docket 03-133

Dear Commissioners:

Competition Ohio is a statewide coalition comprised of approximately 1,400 individuals, businesses, and organizations that support competitive telecommunications markets. We believe that competition benefits consumers and the economy through lower prices, better service, and more innovation.

Pre-paid calling cards are an important telecommunications option for tens of millions of Americans. Many Americans use pre-paid calling cards because they can't afford a personal phone. These include senior citizens and low-income families, who struggle every day to get by. Many Americans also use pre-paid calling cards for convenience, including parents of students, frequent travelers, and active duty military personnel.

The "enhanced" feature of some pre-paid calling cards - a commercial or non-profit advertisement - lowers the price of these cards and provides the caller with useful information. That's why tens of millions of consumers purchase these cards every year.

Competition Ohio strongly urges you not to re-classify enhanced pre-paid calling cards or impose new intrastate access fees, as contemplated in WC Docket 03-133, for the following reasons:

1. Additional access fees will drive up the price of pre-paid calling cards, making them less affordable. This will hurt low-income consumers who rely on them to meet basic telecommunications needs.
2. The service provided by enhanced pre-paid calling cards often involves two interstate calls - one from the point of origin to a calling platform that delivers the advertisement and one from the calling platform to the final destination of the call. It's illogical to treat this as one intrastate call when, in fact, it is two interstate calls. It's efficient to route enhanced calls to a centralized facility, so it makes no sense to penalize vendors for not having such a facility in every state (which is the practical effect of imposing intrastate charges on enhanced calls).

3. Current access charges adequately compensate the Baby Bells for calls made with pre-paid calling cards. Although they continually cry poor to regulators, the Baby Bells (except for Qwest) are among the most profitable corporations in America. The FCC should look out for tens of millions of consumers rather than four giant corporations.
4. To the extent the action contemplated in WC Docket 03-133 is motivated by Universal Service Fund concerns, it is better to address those concerns in overall USF reform. Needed adjustments in USF policy are complex and inter-related, so they are best made in a coherent manner rather than piecemeal.

For the foregoing reasons, Competition Ohio urges you not to re-classify enhanced pre-paid calling cards, or to impose higher intrastate access fees on them, as proposed in WC Docket 03-133. You've done more than enough for the phone monopolies lately. It's time to help consumers by keeping pre-paid calling cards affordable.

Thank you for your consideration.

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